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of Trading Opportunities for
Developing Countries
First session
Geneva, 14 December 1992
(Agenda item 6)

# DRAFT REPORT OF THE AD HOC WORKING GROUP ON EXPANSION OF TRADING OPPORTUNITIES FOR DEVELOPING COUNTRIES

Held at the Palais des Nations, Geneva,
from 14 to 18 December 1992

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## INTRODUCTION

1. The Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries, established in accordance with paragraph 79 of the Cartagena Commitment, held its first session at the Palais des Nations, Geneva, from 14 to 18 December 1992. In the course of the session, the Ad Hoc Working Group held ..... plenary meetings. 1/

Opening statements

2. The Chairman stated that the Ad Hoc Working Group was one of five ad hoc working groups created to enable UNCTAD to address the new realities facing the world and to help meet the challenge of achieving equitable and sustainable global development. The specific task at hand was to study the prospects for and challenges to expanding the trade opportunities of developing countries and to make appropriate recommendations in this regard. Although this heavy undertaking had been at the forefront of UNCTAD's concerns since its inception, by focusing its energies the Ad Hoc Working Group could devise meaningful and convincing policy recommendations which Governments could readily approve and adopt as their own. In this way the Ad Hoc Working Group's contribution was of great importance at the national level. The terms of reference allowed barely one and a half years for the Ad Hoc Working Group to complete its work and report to the Trade and Development Board. The immediate task was therefore not only to establish a credible work programme but also to devise the best implementation for it. With determination on the part of participants, these objectives could be reached. The lucid and comprehensive documentation prepared by the secretariat would greatly facilitate the work.

3. The Deputy to the Secretary-General of UNCTAD noted that the Ad Hoc Working Group could trace its origins to the Spirit of Cartagena which had emerged from UNCTAD VIII and laid the foundations for policies of cooperation aimed at promoting economic and social progress in all countries. So as to strengthen the role of UNCTAD in this partnership for economic development, certain reforms in its machinery and working methods had been introduced, among them the establishment of five ad hoc working groups to address trade and development issues. These ad hoc working groups were expected to deal with long-standing problems which because of their complexity required detailed consideration. The terms of reference of the Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries called on it "to

analyse the prospects for, and examine ways of, expanding the trade opportunities of developing countries for the diversification and growth of their export supply capability and for the enlargement and improvement of their export market opportunities". The mandate of the ad hoc working groups was for two years and could be extended by decision of the Trade and Development Board. In order to enable national experiences as well as empirical evidence to be brought to bear on the issues, the core membership of the ad hoc working groups was expected to comprise all interested countries which would nominate national experts, with other countries participating in an advisory capacity. The Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries was expected to complete its work and, not later than the spring of 1994, report to the Trade and Development Board which would decide on any further action. In addition to setting the mandate for the Ad Hoc Working Group, UNCTAD VIII had also set certain guidelines for the method of work. It had been envisaged that substantive work should consist of a dynamic, progressive sequence involving the initial identification of a relevant set of issues, the carrying out of high-quality analytical work and the conduct of intergovernmental consultations, dialogue and interaction aimed at the identification of areas of convergence and, when appropriate, negotiations leading to implementable commitments. Accordingly, the first task facing the Ad Hoc Working Group was the identification of issues most relevant to the expansion of trading opportunities for developing countries and the establishment of a corresponding work programme. To assist the Ad Hoc Working Group in this task, the UNCTAD secretariat had prepared a report (TD/B/WG.4/2) identifying a number of issues falling under the terms of reference.

4. The Director of the International Trade Division highlighted salient aspects of the background paper (TD/B/WG.4/2) which had been designed to assist the Ad Hoc Working Group in carrying out its mandate. In identifying important issues within the terms of reference, it was intended to suggest approaches to drawing up the work programme. As the terms of reference had called for a sharing of national experiences, the paper attempted to indicate possible areas for this endeavour. Additional information, data or analysis useful to the Ad Hoc Working Group had likewise been suggested. The broad areas of inquiry as specified in the terms of reference were (a) possible liberalization undertaken by trading partners to enhance the export

opportunities of developing countries, and (b) possible national measures whereby developing countries might enhance their own export opportunities. The latter depended critically on three factors: first the general world economic environment and growth in a global context; secondly, changes in access to foreign markets for exports from developing countries; thirdly, the efforts of developing countries to enhance their own export-supply capabilities. While the near-term outlook was for a weak recovery, the longer-term prospects for the world economy were less gloomy; with reassuring implications for the export prospects of developing countries. This picture was enhanced by the dramatic globalization of the world economy and the increasing participation of the developing countries. Trade measures such as various tariff and non-tariff barriers, restrictive business practices, and trade among developing countries had a bearing on access to foreign markets. Other mechanisms for change included trade promotion and marketing, improvement of trade-related information, structural adjustment policies, trade liberalization measures and regional integration arrangements. The third factor encompassed national policies needed in order to establish and/or develop competitive export sectors, for example trade policy, the exchange rate mechanism, technology, national institutions, and foreign direct investment, etc. The Ad Hoc Working Group also had before it two background documents entitled: "Measures and incentives for enhancing the competitiveness of sectors with export potential in developing countries: evidence and lessons from experience" (UNCTAD/ITP/90) and "Developments in the Uruguay Round of particular relevance to the work programme of the Ad Hoc Working Group" (TD/B/WG.4/CRP/1). As explained in annex II to TD/B/WG.4/2, the secretariat had acquired an extensive capability to provide information and data. If the Ad Hoc Working Group so wished, the secretariat was prepared to give a visual demonstration of two information systems developed by UNCTAD, namely the Trade Analysis and Information System (TRAINS) and Software for Market Access and Restrictions to Trade (SMART).

## Chapter I

## ESTABLISHMENT OF THE WORK PROGRAMME OF THE WORKING GROUP

(Agenda item 3)

5. For its consideration of this item, the Ad Hoc Working Group had before it the following documentation:

- "Expansion of trading opportunities for developing countries, note by the UNCTAD secretariat (TD/B/WG.4/2 and Corringendum 1);
- "Developments in the Uruguay Round of particular relevance to the work programme of the Ad Hoc Working Group, note by the UNCTAD secretariat" (TD/B/WG.4/CRP.1).

6. The Ad Hoc Working Group decided not to take up UNCTAD/ITP/90 in the current session. Owing to restrictions on translation, this background document had been prepared in English only. It was agreed that it should be further elaborated as necessary and translated so as to be available in all six UNCTAD working languages for the second session.

7. At its 1st plenary meeting, on 14 December 1992, the Ad Hoc Working Group decided to discuss agenda item 3 in informal meetings.

## Chapter II

## PROCEEDINGS OF THE ... (CLOSING) PLENARY MEETING

[to be completed as appropriate]

## Chapter III

## ORGANIZATIONAL MATTERS

### A. Opening of the session

8. The first session of the Ad Hoc Working Group was opened on 14 December 1992 by the Deputy to the Secretary-General of UNCTAD.

### B. Election of officers

(Agenda item 1)

9. At its 1st and 2nd plenary meetings on 14 December 1992, the Working Group elected its officers as follows:

| | | |
|---|---|---|
| Chairman: | Mrs. Magda Shahin | (Egypt) |
| Vice-Chairmen: | Mr. Andreas Gambitsis | (Greece) |
| | Mr. Akmal Hassain | (Bangladesh) |
| | Mr. V. Kouvshinov | (Russian Federation) |
| | Mr. Carlos Sinencio | (Mexico) |
| | Mr. Herbert Dzvimbo | (Zimbabwe) |
| Rapporteur: | Mr. Dietmar-Gert Lackner | (Austria) |

### C. Adoption of the agenda and organization of work

(Agenda item 2)

10. At its 1st plenary meeting on 14 December 1992, the Ad Hoc Working Group adopted its provisional agenda (TD/B/WG.4/1) as follows: 2/

1. Election of officers
2. Adoption of the agenda and organization of work
3. Establishment of the work programme of the Working Group
4. Provisional agenda for the second session of the Working Group
5. Other business
6. Adoption of the report of the Working Group to the Board.

### D. Provisional agenda for the second session of the Working Group

(Agenda item 4)

[to be completed]

### E. Other business

(Agenda item 5)

[to be completed as appropriate]

### F. Adoption of the report of the Working Group to the Board

(Agenda item 6)

[to be completed]

## Notes

1/ For the terms of reference of the Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries, see Trade and Development Board decision 398 (XXXVIII), annex, section C.

2/ In accordance with the decision taken by the Trade and Development Board at the first part of its thirty-ninth session, the officers elected at the first session of the Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries are to remain in office for the duration of the life of the Ad Hoc Working Group.

Annex

MEMBERSHIP AND ATTENDANCE

[to be completed]

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